

**GRANT PARISH CLERK OF COURT**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2013**

Grant Parish Clerk of Court  
Colfax, Louisiana

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# Johnson, Thomas & Cunningham

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### INDEPENDENT AUDITOR'S REPORT

Honorable J. Elray Lemoine  
Grant Parish Clerk of Court  
P. O. Box 263  
Colfax, LA 71417-0263

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds information of the Grant Parish Clerk of Court, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Grant Parish Clerk of Court as of June 30, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

The Clerk has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's financial statements as a whole. The budgetary comparisons listed as other required supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Accordingly, we express no such opinion. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Johnson, Thomas & Cunningham*

Johnson, Thomas & Cunningham, CPA's

December 13, 2013

Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Grant Parish Clerk of Court  
Statement of Net Position  
June 30, 2013

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 102,080
Investments	18,456
Revenue Receivable	29,655
Due from Other Funds	8,172
Prepaid Expenses	<u>8,397</u>
Total Current Assets	<u>\$ 166,760</u>
Noncurrent Assets-	
Revenue Receivable	\$ 8,545
Capital Assets, Net	<u>31,159</u>
Total Noncurrent Assets	<u>\$ 39,704</u>
Total Assets	<u>\$ 206,464</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 9,246
Due to Other Funds	20
Payroll & Related Liabilities	<u>6,318</u>
Total Current Liabilities	<u>\$ 15,584</u>
Noncurrent Liabilities-	
Net Pension Obligation	<u>431,685</u>
Total Liabilities	<u>\$ 447,269</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 31,159
Unrestricted	<u>(271,964)</u>
Total Net Position	<u>\$(240,805)</u>

The accompanying notes are an integral part of this statement.



Grant Parish Clerk of Court  
Statement of Activities  
June 30, 2013

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$747,991</u>	<u>\$619,243</u>	<u>\$21,010</u>	<u>\$0</u>	\$(107,738)
		General Revenues-			
		Miscellaneous			
		Interest			\$ 5,471
		Other			<u>10</u>
		Total General Revenues			<u>\$ 5,481</u>
		Change in Net Position			\$(102,257)
		Net Position June 30, 2012			<u>(138,548)</u>
		Net Position June 30, 2013			<u>\$(240,805)</u>

The accompanying notes are an integral part of this statement.

## FUND FINANCIAL STATEMENTS

Grant Parish Clerk of Court  
Balance Sheet-Governmental Fund  
June 30, 2013

ASSETS:

Cash & Cash Equivalents	\$102,080
Investments	18,456
Revenue Receivable	38,200
Due from Other Funds	8,172
Prepaid Expenses	<u>8,397</u>
Total Assets	<u>\$175,305</u>

LIABILITIES:

Accounts Payable	\$ 9,246
Due to Other Funds	20
Payroll & Related Liabilities	<u>6,318</u>
Total Liabilities	<u>\$ 15,584</u>

FUND BALANCE:

Nonspendable-	
Prepaid Expenses	\$ 8,397
Long-term Receivable	8,545
Unassigned	<u>142,779</u>
Total Fund Balance	<u>\$159,721</u>
Total Liabilities & Fund Balance	<u>\$175,305</u>

The accompanying notes are an integral part of this statement.

Grant Parish Clerk of Court  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2013

Total Fund Balance for the Governmental Fund at June 30, 2013	\$ 159,721
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Total Net Position reported for Governmental Activities  
in the Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not  
financial resources and, therefore, are not reported  
in the fund. Those assets consist of:

Automobiles	\$ 29,500	
Office Equipment	<u>382,566</u>	
Total Capital Assets	\$ 412,066	
Less, Accumulated Depreciation	<u>(380,907)</u>	
Net Capital Assets		31,159

Long-term Liabilities are not due and payable in the  
current period and, therefore, are not reported in the  
Governmental Fund Balance Sheet:

Net Pension Obligation	(431,685)
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Total Net Position of Governmental Activities at June 30, 2013	<u>\$(240,805)</u>
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The accompanying notes are an integral part of this statement.

Grant Parish Clerk of Court  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
June 30, 2013

REVENUES:

Intergovernmental-	
Supplemental Compensation Fund	\$ 21,010
Licenses & Permits-	
Marriage Licenses	2,695
Charges for Services-	
Court Costs, Fees & Charges	364,677
Recording Fees	200,756
Photocopying Fees	51,115
Miscellaneous-	
Interest	5,471
Other	<u>10</u>
Total Revenues	<u>\$645,734</u>

EXPENDITURES:

Current-	
Judicial-	
Personnel Services	\$532,440
Operating Services	32,605
Operating Supplies	44,743
Other Charges	1,696
Capital Expenditures	<u>2,041</u>
Total Expenditures	<u>\$613,525</u>
Excess of Revenues over Expenditures	\$ 32,209
Fund Balance-Beginning of Year	<u>127,512</u>
Fund Balance-End of Year	<u>\$159,721</u>

The accompanying notes are an integral part of this statement.

Grant Parish Clerk of Court  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2013

Total Net Change in Fund Balance at June 30, 2013, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 32,209
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The Change in Net Position  
reported for Governmental Activities  
in the Statement of Activities is different because:

Governmental Funds report capital outlays as  
expenditures. However, in the Statement of  
Activities the cost of those assets is allocated  
over their estimated useful lives and reported  
as depreciation expense. These amounts were-

Depreciation Expense	(8,162)
Capital Expenditures	2,041

Other Post-employment Benefits are reported in the Government-wide Statement of Activities, but are not reported in the Fund Financial Statements. Current year Net Pension Obligation is	(128,345)
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Total Changes in Net Position at June 30, 2013, per Statement of Activities	<u>\$(102,257)</u>
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The accompanying notes are an integral part of this statement.

Grant Parish Clerk of Court  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Child Support <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	\$1,019,473	\$268,122	\$1,268	\$1,288,863
Receivable	0	0	4,578	4,578
Due from Other Funds	<u>5,000</u>	<u>20</u>	<u>0</u>	<u>5,020</u>
Total Assets	<u>\$1,024,473</u>	<u>\$268,142</u>	<u>\$5,846</u>	<u>\$1,298,461</u>
LIABILITIES:				
Accounts Payable	\$ 0	\$ 0	\$ 395	\$ 395
Due to Other Funds	3,989	5,000	4,183	13,172
Unsettled Deposits	<u>1,020,484</u>	<u>263,142</u>	<u>1,268</u>	<u>1,284,894</u>
Total Liabilities	<u>\$1,024,473</u>	<u>\$268,142</u>	<u>\$5,846</u>	<u>\$1,298,461</u>

The accompanying notes are an integral part of this statement.

Grant Parish Clerk of Court  
Statement of Changes in Fiduciary Net Position  
for the Year Ended June 30, 2013

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Child Support <u>Fund</u>	<u>Total</u>
ADDITIONS:				
Suits and Successions	\$ 408,809	\$ 46,423	\$25,741	\$ 480,973
Interest Income	<u>0</u>	<u>2,459</u>	<u>0</u>	<u>2,459</u>
Total Additions	\$ <u>408,809</u>	\$ <u>48,882</u>	\$ <u>25,741</u>	\$ <u>483,432</u>
DEDUCTIONS:				
Clerk's Costs				
(paid to general fund)	\$ 243,058	\$ 0	\$23,654	\$ 266,712
Sheriff's Fees	29,299	0	2,284	31,583
Other Deductions	42,559	0	0	42,559
Settlements to Litigants	<u>80,751</u>	<u>70,512</u>	<u>0</u>	<u>151,263</u>
Total Deductions	\$ <u>395,667</u>	\$ <u>70,512</u>	\$ <u>25,938</u>	\$ <u>492,117</u>
Change in Liabilities	\$ 13,142	\$ (21,630)	\$ (197)	\$ (8,685)
Unsettled Deposits- Beginning of Year	<u>1,007,342</u>	<u>284,772</u>	<u>1,465</u>	<u>1,293,579</u>
Unsettled Deposits	\$ <u>1,020,484</u>	\$ <u>263,142</u>	\$ <u>1,268</u>	\$ <u>1,284,894</u>

The accompanying notes are an integral part of this statement.



## NOTES TO FINANCIAL STATEMENTS

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

Introduction:

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Grant Parish Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the Grant Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY-

The Clerk of Court is the basic level of government which has financial accountability and control over all activities related to the Clerk's operations and services provided. The Clerk is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Clerk of Court is elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Clerk's reporting entity.

The financial statements of the Grant Parish Clerk of Court are prepared in accordance with generally accepted accounting principles (GAAP). The Grant Parish Clerk of Court's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

C. FUND ACCOUNTING-

The Grant Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. An emphasis is placed on major funds, and the General Fund is considered to be a major fund.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

Governmental Fund

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Grant Parish Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund.

Fiduciary Funds

Agency Funds - The agency funds: the Advance Deposit Fund, the Registry of Court Fund, and the Child Support Fund, account for assets held by the Clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Grant Parish Clerk of Court, except for the fiduciary funds which are reported separately.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

The governmental fund and the agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Grant Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. All other revenues are recorded when received.

Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETARY ACCOUNTING-

Formal budgetary accounting is employed as a management control. The Grant Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk of Court amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS-

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the Clerk may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. The Clerk's policy is to include time deposits and certificates of deposit in cash equivalents.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

G. INVESTMENTS-

Investments are limited by R. S. 33:2955 and the Grant Parish Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. RECEIVABLES-

All receivables are reported at their gross value. The Clerk expects to collect all balances due, and no allowance for bad debts is recorded.

I. CAPITAL ASSETS-

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the Grant Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 15 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized. The Clerk maintains a threshold level of \$500 or more for capitalizing assets.

J. COMPENSATED ABSENCES-

The Clerk of Court has the following policy relating to vacation and sick leave:

Full-time employees receive 10 days of non-cumulative vacation leave annually and, depending upon length of service, from 10 to 16 days of sick leave annually. Sick leave can be accumulated without limitation, but there is no provision for payment of accumulated sick leave upon termination or retirement. At June 30, 2013, there are no accumulated and vested benefits relating to vacation and sick leave.

The cost of leave privileges is recognized as a current year expenditure in the General Fund when leave is actually taken.

K. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

L. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investments in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, the Clerk applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Clerk at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

The General Fund, the Clerk's only governmental fund, has a nonspendable fund balance of \$16,942 which represents prepaid expenses and a long-term receivable. The remaining fund balance of \$142,779 is classified as unassigned. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

M. RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS-

In June 2011, the GASB issued Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. GASB 64 provides clarification on whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement is effective for periods beginning after June 15, 2011. The adoption of GASB 64 does not have any impact on the Clerk's current financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements; Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 does not have any impact on the Clerk's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components; assets, deferred outflows of resources, liabilities and deferred inflows of resources. This statement is effective for periods beginning after December 15, 2011.

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASB 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011. The Clerk does not have any SCAs and therefore the adoption of GASB 60 does not have any impact on the Clerk's financial statements.



Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 properly classifies and recognizes certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 although the Clerk elected to early implement statement 65 in calendar year 2012. The adoption of GASB 65 does not have any impact on the Clerk's financial statements.

2. Cash and Cash Equivalents and Related Credit Risk:

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. The Clerk of Court may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

At June 30, 2013, the Clerk of Court had cash and cash equivalents (book balances) totaling \$1,390,943.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2013, the Clerk of Court has \$1,525,357 in collected bank balances. These deposits are secured from credit risk as follows:

Collected Bank Balances	\$1,525,357
FDIC Insurance	(568,025)
Pledged Securities	<u>(957,332)</u>
Balance Subject to Credit Risk	\$ <u>          0</u>

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.



Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

3. Investments:

Investments held at June 30, 2013, include \$18,456 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP at June 30, 2013, is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701, enacted LSA-R.S. 33:2955 (A) (1) (h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

4. Revenue Receivable:

The following is a summary of receivables at June 30, 2013:

<u>Class of Receivable</u>	<u>Total</u>
Charges for Services	<u>\$38,200</u>

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

5. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2013, is as follows:

	<u>Balance</u> <u>07-01-12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-13</u>
Governmental Activities-				
Vehicles	\$ 29,500	\$ 0	\$0	\$ 29,500
Furniture fixtures, and equipment	380,525	2,041	0	382,566
Less, accumulated depreciation	<u>(372,745)</u>	<u>(8,162)</u>	<u>0</u>	<u>(380,907)</u>
Total Capital Assets, net	<u>\$ 37,280</u>	<u>\$(6,121)</u>	<u>\$0</u>	<u>\$ 31,159</u>

Depreciation expense of \$8,162 was charged to the judicial function.

6. Accounts Payable and Accruals:

The following is a summary of accounts payable at June 30, 2013:

<u>Class of Payable</u>	<u>Total</u>
Vendor	\$ 9,246
Payroll & Related Liabilities	<u>6,318</u>
Total	<u>\$15,564</u>

7. Pension Plan:

Plan Description. Substantially all employees of the Grant Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Grant Parish Clerk of Court is required to contribute at an actuarially determined rate. This current rate is 17.25 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (one-half of one percent for New Orleans) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Grant Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Grant Parish Clerk of Court's contributions to the System for the years ending June 30, 2013, 2012 and 2011 were \$76,469, \$73,767 and \$88,294, respectively, equal to the required contribution for each year.

The Grant Parish Clerk of Court has elected under state statute to pay both the employer and 4.25% of the employee contributions to the retirement system. Due to this election, the Clerk contributed an additional \$15,116 on behalf of the employees for the year ended June 30, 2013.

8. Other Postemployment Benefits:

*Plan Description.* The Grant Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Healthcare Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees through the clerk's group health insurance plan. Benefit provisions are established by the Grant Parish Clerk of Court. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ending June 30, 2010, the Grant Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the OPEB liability relative to past service will be amortized and recognized as an expense over thirty years.

*Funding Policy.* The Grant Parish Clerk of Court contributes 100% of the cost of current year premiums for eligible retired employees. For the year ended June 30, 2013, the Grant Parish Clerk of Court contributed \$9,236 to the plan.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

*Annual OPEB Cost and Net OPEB Obligation.* The clerk's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Grant Parish Clerk of Court meets the requirements to use the Alternative Measurement Method for plans with fewer than 100 members, and has elected to calculate the ARC and related information using the Entry Age Cost Method and the Level Percentage of Payroll Amortization Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the clerk's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the clerk's net OPEB obligation to the retiree health plan.

Annual required contribution	\$131,514
Interest on net OPEB obligation	6,067
Adjustment to annual required contribution	<u>0</u>
Annual OPEB cost (expense)	\$137,581
Contributions made	<u>(9,236)</u>
Increase in net OPEB obligation	\$128,345
Net OPEB obligation at beginning of year	<u>303,340</u>
Net OPEB obligation at end of year	<u>\$431,685</u>

The Clerk's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2013, and the two preceding fiscal years are shown below:

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2011	2.00%	\$112,436	11%	\$199,412
06/30/2012	2.00%	\$114,446	10%	\$303,340
06/30/2013	2.00%	\$137,581	7%	\$431,685

*Funded Status and Funding Progress.* As of June 30, 2013, and for the two preceding valuations, the actuarial accrued liability for benefits, the covered payroll (annual payroll of active employees covered by the plan), and ratio of the unfunded actuarial accrued liability to the covered payroll was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/11	\$0	\$1,114,212	\$1,114,212	0%	\$346,250	322%
6/30/12	\$0	\$1,114,212	\$1,114,212	0%	\$343,103	325%
6/30/13	\$0	\$1,501,962	\$1,501,962	0%	\$355,666	422%

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Methods and Assumption.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

*Retirement age for active employees* - Based on the historical retirement age for the covered group, and unless otherwise indicated, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the Clerk's office.

*Marital status* - Marital status of members at the calculation date were assumed to continue throughout retirement.

*Mortality* - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2008 United States Life Tables for Males and for Females, revised September 24, 2012, were used.

*Turnover* - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.0% initially, increased to an ultimate rate of 6.8% after ten years, was used.

*Health insurance premiums* - 2013 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Inflation rate* - A long-term inflation assumption of 3.95% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2013 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

*Payroll growth rate* - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Grant Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

9. Expenditures of the Clerk of Court Paid by the Parish Police Jury:

Certain expenses of the Grant Parish Clerk of Court's office are paid by the Grant Parish Police Jury. In addition to furnishing the building where the Clerk's office is located, the Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk's office.

10. Deferred Compensation Plan:

All of the employees of the Grant Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$17,000 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Clerk matches 3% of the employee contribution. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Grant Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2013, the Clerk's matching funds totaled \$5,578.

11. Subsequent Events:

Management has evaluated events through December 13, 2013, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

Grant Parish Clerk of Court  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2013

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental-				
Supplemental Compensation Fund	\$ 20,500	\$ 20,900	\$ 21,010	\$ 110
Licenses & Permits-				
Marriage Licenses	2,575	2,675	2,695	20
Charges for Services-				
Court Costs, Fees & Charges	365,250	368,215	364,677	(3,538)
Recording Fees	185,000	197,800	200,756	2,956
Photocopying Fees	64,500	51,500	51,115	(385)
Miscellaneous-				
Interest	7,150	7,400	5,471	(1,929)
Other	<u>100</u>	<u>0</u>	<u>10</u>	<u>10</u>
Total Revenues	<u>\$645,075</u>	<u>\$648,490</u>	<u>\$645,734</u>	<u>\$ (2,756)</u>
EXPENDITURES:				
Current-				
Judicial-				
Personnel Services	\$535,000	\$534,700	\$532,440	\$ 2,260
Operating Services	22,500	16,700	32,605	(15,905)
Operating Supplies	52,800	52,400	44,743	7,657
Other Charges	7,200	7,000	1,696	5,304
Capital Expenditures	<u>0</u>	<u>0</u>	<u>2,041</u>	<u>(2,041)</u>
Total Expenditures	<u>\$617,500</u>	<u>\$610,800</u>	<u>\$613,525</u>	<u>\$ (2,725)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 27,575	\$ 37,690	\$ 32,209	\$ (5,481)
Fund Balance-Beginning of Year	<u>127,512</u>	<u>127,512</u>	<u>127,512</u>	<u>0</u>
Fund Balance-End of Year	<u>\$155,087</u>	<u>\$165,202</u>	<u>\$159,721</u>	<u>\$ (5,481)</u>

See notes to financial statement.



## OTHER REPORTS

# Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation

Roger M. Cunningham, CPA - A Professional Corporation

Jessica H. Broadway, CPA - A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Honorable J. Elray Lemoine  
Grant Parish Clerk of Court  
P. O. Box 263  
Colfax, LA 71417-0263

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, major fund and fiduciary funds as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Grant Parish Clerk of Court's (Clerk) basic financial statements and have issued our report thereon dated December 13, 2013.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of audit findings, we identified certain deficiencies in internal control that we consider to be a material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of audit findings as item 13-01, to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of audit findings as item 13-02, to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### **Grant Parish Clerk of Court Response to Findings**

The Clerk's response to the findings identified in our audit are described in the accompanying schedule of audit findings. The Clerk's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Johnson, Thomas & Cunningham*

Johnson, Thomas & Cunningham, CPA's

December 13, 2013  
Natchitoches, Louisiana

Grant Parish Clerk of Court  
Schedule of Audit Findings  
Year Ended June 30, 2013

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Grant Parish Clerk of Court as of and for the year ended June 30, 2013.
2. The audit disclosed two significant deficiencies in internal control, and one of these deficiencies was determined to be a material weakness.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following findings relate to the financial statements and are required to be reported in accordance with *Government Auditing Standards*:

Internal Control-

*13-01 Reconciliation of Accounts*

*Criteria* - Accounting standards require that funds held in a fiduciary fund be balanced to the applicable subsidiary ledgers.

*Condition* - At June 30, 2013, the Clerk of Court's office was not able to reconcile the cash accounts of the Advance Deposit Fund to the related individual docket balances.

*Effect* - Intentional or unintentional errors could be made in recording cash receipts and disbursements to the individual docket balances. In addition, amounts earned and paid to the Salary (General) Fund could be in error. These errors could occur and not be detected without reconciling procedures.

*Cause* - Not all of the dockets have been entered into the computerized system and are still maintained on a manual "card system". The dollar value associated with the "card system" has not been verified and therefore, the total of all individual dockets cannot be determined.

*Recommendation* - The Clerk's office should continue to enter all dockets from the "card system" to the computerized system.

*Management's Response* - We will establish a procedure of reconciling a certain number of "cards" each month. There are two separate sets of hand posted cards. We will work to try and reconcile all "cards" by June 30, 2014.

Grant Parish Clerk of Court  
Schedule of Audit Findings-continued  
Year Ended June 30, 2013

*13-02 Segregation of Duties*

*Criteria* - The Clerk's office should have employees available to execute the ongoing duties related to financial matters.

*Condition* - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

*Effect* - Intentional or unintentional errors could be made and not detected within the accounting system.

*Cause* - Due to a lack of funds, the Clerk's office does not have a sufficient number of employees to adequately separate accounting duties or to prepare the Clerk's annual financial statements with related note disclosures.

*Recommendation* - Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

*Management's Response* - It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the Clerk of Court to have our independent auditors prepare our annual financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

III. PRIOR YEAR AUDIT FINDINGS

*12-01 Reconciliation of Advance Deposit Fund*

*Condition* - The Clerk of Court's office did not have a system in place to reconcile the cash accounts of the Advance Deposit Fund to the related individual docket balances held by that fund.

*Status* - Repeat finding. See current year finding 13-01.

*12-02 Segregation of Duties*

*Condition* - The Clerk's office did not have adequate segregation of duties within the accounting function.

*Status* - Repeat finding. See current year finding 13-02.

Grant Parish Clerk of Court  
Schedule of Audit Findings-continued  
Year Ended June 30, 2013

*12-03 Local Government Budget Act*

*Condition* - For the year ended June 30, 2012, the Clerk's office had prepared an annual budget in which the total expenditures exceeded the total available funds for the year.

*Status* - This condition has been cleared as of June 30, 2013.

*12-04 Late Submission of Report*

*Condition* - For the year ended June 30, 2012, the Clerk of Court's office did not submit their annual audit within six months after the close of their fiscal year.

*Status* - This condition has been cleared as of June 30, 2013.